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CIA study indicates Soviet growth lags

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A Central Intelligence Agency study of the economy of the Soviet Union comes to an equivocal conclusion: The Soviet economy has been growing at an annual rate of 4.8 percent since 1952, but that growth slowed to less than 3 percent per year in the 1970s.

The 401-page study was released over the weekend by Joint Economic Commission of Congress, which commissioned it, and was accompanied by a commentary by Rep. Henry S. Reuss, D-Wis., chairman of the committee.

Reuss interpreted the study as signifying that administration spokesmen who have portrayed the Soviet economy as being in dire straits have been misled, and that the Soviet Union has, on the contrary, experienced major growth.

He was alluding to a remark by Thomas C. Reed, special assistant to the president, last June that the Soviet situation is "an economic basket case."

But other authorities on the Soviet Union took a less optimistic view, notably Robert Legvold, Soviet specialist for the Council on Foreign Relations, who said: "There are two sides to this story" — one of them based on comparison with what the Soviet Union was 30 years ago, the other based on what the Soviet economy has been doing recently and where it is now compared with other countries.

While the Soviet Union has made "very considerable achievements" over the longer period, and is certainly "a going enterprise," he said, the past five to 10 years show "steady decline."

Other specialists on the Soviet economy made the point that such studies can be highly misleading because the Soviet economy differs from the American, or most European economies, much as apples differ from orange.

Whereas the American economy may be extremely sensitive to world prices, and is often characterized by sudden spurts, the Russians are to a much greater extent autarchic, and inclined to move deliberately without much fluctuation. The Soviet economy does not depend much on imports the way, say, Japan or West Germany do.

But there can be no doubt, one economist added, that the Soviet economy has been doing poorly recently. He mentioned the dramatic drop in Soviet life expectancy from 66 to 62 years in the past 10 years, and a recent rise in infant mortality in the Soviet Union.

David Goldfrank, specialist in Russian history at Georgetown University, observed that how you interpret such statistics depends entirely on your point of comparison.

"True, the comparison with 1952 can be impressive," he said, "but if you compare the way Soviet citizens now live in Moscow, the long lines in the stores, the shabby clothes, the drastically restricted living space, with the way people live in Western Europe, then the Soviet Union doesn't look so good."

Comparisons also depend on expectations, Goldfrank said. "In my judgment, Soviet expectations are probably not very high so the people may be tolerant," he said.

Goldfrank suggested that the new Soviet party chief, Yuriv Andropov, may have spoken severely about the state of the Soviet economy recently — "targets unfulfilled," "shoddy work," "irresponsibility" — so as to permit him to insert his own KGB men into key positions. On the other hand, he thought the CIA may want

to correct the impression left by its forecast of a few years ago, suggesting, probably erroneously, that the Soviet Union might run short of oil.

On balance the experts' inclination is to accept the findings of this report as interesting, but to avoid far-ranging conclusions.